

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Handloom Industry\_ - National Co-operative Development Corporation - Sanction of an amount of Rs.1.60 crores to the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district towards Margin Money assistance under National Co-operative Development Corporation - Orders - Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 325

Dated 10-06-2009

Read the following:-

1. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad, letter Rc.No.13559/2008- K2, dt: 4-11-2008.
2. Government Lr.No.15095/Tex.2/2008-2, dated 10-12-2008.
3. From the Managing Director, NCDC (Handloom Division), New Delhi, Ir.No. NCDC 4-10/2008-Text (HLM)/370(S080235), dt. 17-2-2009.
4. From the President, the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district Ref No.Cherial/Margin Money loan /2008-09, dt.20-2-2009.
5. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad, letter Rc.No.13559/2008- K2, dt: 24-2-2009
6. G.O.Rt.No. 2489, Finance (Exp.I&C) Department, dt.25-05-2009.

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**ORDER**

In the reference 2nd read above, Government have forwarded the loan application of President, Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district to the National Co-operative Development Corporation (NCDC), New Delhi for sanction of Margin Money loan of Rs.3.00 crores.

2. In the reference 3rd read above, the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed for sanction of Rs.160.00 lakhs (Rupees one crore and sixty lakhs only) as loan to the Government of Andhra Pradesh towards Margin Money assistance to Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district, Andhra Pradesh. The State Government shall provide NCDC's loan assistance to the society in the form of share capital or loan. The assistance will be released by the National Co-operative Development Corporation to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and thereafter claim reimbursement from the Corporation.

3. The assistance of Rs.160.00 lakhs sanctioned is subject to the conditions that the society:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the society.

(PTO)

4. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the period of loan to State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan installment will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of loan along with interest.

5. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the loan shall carry rate of interest prevailing at the time of release of funds which will be a floating rate linked with State Bank Advance Rate. Existing effective floating rate of interest is 11.00% p.a. (linked with present State Bank Advance Rate of 12.25%). Effective rate of interest shall be applicable in case payment of interest is made on or before due date, normal rate of interest, which is 1% higher than effective rate shall be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC Ir.No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/90 -Budt, dated 1.1.2009 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilised for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 28.2.2010 by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. In the reference 5<sup>th</sup> read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the National Co-operative Development Corporation, New Delhi have conveyed its sanction of Rs.160.00 lakhs as "Loan" to the Government of Andhra Pradesh towards Margin Money assistance to Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district with certain terms and conditions. The State Government shall provide the NCDC's loan assistance to the society in the form of share capital or loan. The assistance will be released by National Co-operative Development Corporation to the State Government on Reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and thereafter to claim reimbursement from the Corporation. The President of the said society has requested for early release of funds to them. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to sanction and release an amount of Rs.160.00 lakhs as 'Loan' to the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district under NCDC scheme of assistance towards Margin Money assistance for the year 2008-09.

9. In the reference 6<sup>th</sup> read above, the Finance ( Exp.I&C) Department have issued Budget Release Order for an amount of Rs.160.00 lakhs towards Margin Money Assistance as loan to Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district in relaxation of treasury control orders.

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10. After careful examination, Government have decided to sanction an amount of Rs.160.00 lakhs ( Rupees one crore and sixty lakhs only) as loan towards Margin Money assistance to the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district in relaxation of treasury control orders as additional amount pending provision in final budget 2009-10, which will be reimbursed by National Co-operative Development Corporation .

11. Accordingly, Government hereby accord sanction for an amount of Rs.160.00 lakhs ( Rupees one crore and sixty lakhs only) as loan towards Margin Money assistance to the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district in relaxation of treasury control orders as additional amount pending provision in final budget 2009-10, which will be reimbursed by National Co-operative Development Corporation.

12. The expenditure sanctioned above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi as mentioned in para 3 above.

13. The expenditure of loan amount of Rs.160.00 lakhs shall be debited to the following Head of Account:-

6860 – Loans for consumer industries  
01 – Textiles –  
101 – Loans to Co-operative Spinning Mills  
GH (10) – Centrally Sponsored Schemes  
SH (05) – 001 - Margin Money to Cooperative Spinning Mills  
(to be opened) .

and shall be incurred in relaxation of treasury control orders as additional amount pending provision of funds in final budget 2009-10.

14. The Deputy Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw the sanctioned loan amount of Rs.160.00 lakhs by way of cheque in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to disburse the same directly by way of cheque to the President of the Handloom Weavers Co-operative Production and Sales Society Ltd., Cherial, Warangal district. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, (T-Textile), New Delhi.

15. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned from the concerned societies and to remit the same to the State Government Account on due dates under intimation to the National Co-operative Development Corporation, New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to make necessary provision for the amount in the final budget 2009-10.

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17. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.5225 / 223 /Expr.I&C/09, dated 25 -05 -2009 and vide Budget Release Order in G.O.Rt.No.2489, Finance (Exp.I&C) Department, dated 25-05-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y.SRILAKSHMI,  
SECRETARY TO GOVERNMENT.

To  
The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad  
The concerned society.  
The Accountant General A.P., Hyderabad.  
The Pay and Accounts Officer, Hyderabad  
The Director of Treasuries of Accounts, A.P., Hyderabad.  
The Managing Director,  
National Co-operative Development Corporation ( NCDC),  
4, Siri Institutional Area, Hauz Khas, New Delhi.  
The Deputy Secretary to Government,  
Finance (DMC) Department.

Copy to:

The Chief Director,  
National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.  
The Finance (Exp.I&C)/ (BG) Department  
The Additional .Secretary to Chief Minister.  
The P.S. to Minister for Handlooms and Textiles.  
The P.S to Minister for Finance.  
The P.S. to Secretary to Government,  
Industries and Commerce Department.  
The Industries and Commerce (L&B) Department.  
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.